CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

# MANGEL STORES CORPORATION

## AND SUBSIDIARIES

---

ANNUAL REPORT
FOR THE FISCAL YEAR
ENDED JANUARY 31, 1953

---

Leidersdorf

## COMPARISONS OF FINANCIAL AND STATISTICAL DATA

| Year Ended | Number of Stores | Net Sales | Net Working Capital | Provision for Federal Taxes | Net Income after Federal Taxes | Earnings Per Common Share |
|---|---|---|---|---|---|---|
| Jan. 31, 1953 | 114* | $29,013,922 | $6,016,572 | $403,102 | $757,998 | $2.99 |
| Jan. 31, 1952 | 117* | 29,116,235 | 6,108,845 | 376,952 | 743,721 | 2.90 |
| Jan. 31, 1951 | 115* | 25,635,310 | 4,394,366 | 413,764 | 615,404 | 2.40 |
| Dec. 31, 1949 | 89 | 25,668,102 | 4,046,309 | 231,190 | 544,994 | 2.12 |
| Dec. 31, 1948 | 89 | 27,081,382 | 3,373,724 | 559,369 | 993,596 | 3.87 |
| Dec. 31, 1947 | 90 | 22,673,345 | 3,009,757 | 382,845 | 691,981 | 2.69 |
| Dec. 31, 1946 | 92 | 21,745,066 | 2,910,000 | 459,604 | 653,857 | 2.55 |

**Includes acquisition of 26 stores in September, 1950.*

March 30, 1953.

*To The Stockholders of*

MANGEL STORES CORPORATION:

There are presented herewith the Consolidated Balance Sheet as at January 31, 1953 and the related Consolidated Statements of Income and Surplus for the year then ended.

Net sales for the fiscal year ended January 31, 1953 totalled $29,013,922 which compares with sales for the prior year of $29,116,235.

Net income after Federal taxes for the fiscal year ended January 31, 1953 was $757,998 or $2.99 per share based on the number of shares outstanding at the end of the year compared with $743,721 or $2.90 per share for the previous fiscal year.

Regular quarterly dividends of 25c per share were continued during the past year.

The number of stores in operation at the end of the last fiscal year was 114 as compared with 117 at the end of the previous year.

Two buildings were purchased by your Company, one in Duluth, Minn., in which we operate a store and the other in Midland, Tex. where we plan to open a unit when possession is obtained within the next two years.

During the past year units located in Rockford, Ill., Lincoln, Neb., Syracuse, N. Y., Lubbock, Tex. and Wheeling, W. Va. were discontinued, a new store was opened in Greenwood, S. C., and an additional location was opened in Mobile, Ala. The following stores were either enlarged, modernized or relocated: Mobile, Ala., Little Rock and Pine Bluff, Ark., Jacksonville and Miami Beach, Fla., Lexington, Ky., Baton Rouge, La., St. Louis, Mo., Zanesville, Ohio, Spartanburg, S. C., Brownwood, San Antonio and Texarkana, Tex. The foregoing represents a continuation of your Company's policy to discontinue unprofitable locations and to improve profitable ones. This program will be followed during the current fiscal year.

Your Management will continue to pursue an aggressive policy in merchandising and sales promotion and, at the same time, to effect operational economies wherever possible.

Respectfully submitted,

SOL MANGEL,

*President*

# MANGEL STORE

## AND SUBS

## CONSOLIDATED BALANCE SHE

### ASSETS

| | | |
|---|---|---|
| CURRENT ASSETS: | | |
| Cash on hand and in banks | | $ 1,786,327.14 |
| United States bonds, Treasury certificates and Treasury notes—at cost, plus accrued interest | $1,064,293.61 | |
| *Less*: Amount applied as a reduction of reserve for Federal taxes on income—per contra | 440,000.00 | 624,293.61 |
| Accounts receivable, trade—less reserve | | 1,939,391.49 |
| Merchandise inventory—at the lower of cost or market, based upon the retail method of inventory valuation | | 2,888,342.09 |
| Merchandise in transit—at cost | | 80,970.08 |
| TOTAL CURRENT ASSETS | | 7,319,324.41 |
| OTHER ASSETS: | | |
| Loans to employees | 18,235.00 | |
| Sundry deposits and investments | 5,943.90 | |
| Estimated refundable portion of prior years' Federal taxes on income under carry-back provisions of the Internal Revenue Code | 9,250.00 | 33,428.90 |
| FIXED ASSETS: | | |
| Real estate (at values as appraised for the management in June 1932 with subsequent additions at cost)—subject to mortgages shown contra | $ 695,382.25 | |
| *Less*: Reserve for depreciation | 56,544.60 | 638,837.65 |
| Furniture, fixtures and leasehold improvements—at cost | 6,082,078.80 | |
| *Less*: Reserves for depreciation and amortization | 2,361,258.87 | 3,720,819.93 | 4,359,657.58 |
| DEFERRED CHARGES: | | |
| Unexpired insurance | 100,353.40 | |
| Prepaid taxes, expenses, etc. | 239,980.03 | 340,333.43 |
| GOODWILL | | 1.00 |
| | | $12,052,745.32 |

The Notes to Accounts, appended hereto, are an integral part of

NOTES TO ACCOUNTS

NOTE A—Under loan agreements dated March 1, 1949, September 15, 1950 and October 25, 1951, loans aggregating $4,000,000.00 were obtained from The Prudential Insurance Company of America evidenced by promissory notes. At January 31, 1953 the balances of the loans amounted to $1,968,000.00 maturing in 1961 and $1,450.000.00 maturing in 1966. The agreements applicable to the loans maturing in 1961 provide for semi-annual prepayments of $83,500.00 until maturity; the other loan provides for semi-annual prepayments of $50,000.00 until maturity. The notes bear interest at the rates of 3⅞%, 3¼% and 4% per annum.

The loan agreements contain certain restrictions which limit the payment of dividends (except stock dividends), the net reduction of capital

# S CORPORATION

## IDIARIES

## ET AS AT JANUARY 31, 1953

### LIABILITIES

| | | | |
|---|---|---|---|
| CURRENT LIABILITIES: | | | |
| Notes payable—The Prudential Insurance Company of America, installments due within one year—Note A | | | $ 267,000.00 |
| Accounts payable—merchandise, less discounts | | | 218,438.12 |
| Accounts payable—expenses, taxes, etc. | | | 662,589.53 |
| Customers' deposits on layaway sales and credits | | | 147,679.00 |
| Mortgage installments payable within one year | | | 7,045.47 |
| Reserve for Federal taxes on income | | $ 440,000.00 | |
| *Less*: United States Treasury notes—at cost, plus accrued interest—per contra | | 440,000.00 | — |
| TOTAL CURRENT LIABILITIES | | | 1,302,752.12 |
| NOTES PAYABLE—The Prudential Insurance Company of America, less installments due within one year shown above—Note A | | | 3,151,000.00 |
| MORTGAGES ON REAL ESTATE PAYABLE IN INSTALLMENTS, interest at 4% per annum—less installments payable within one year shown above: | | | |
| Mortgage payable through September 1, 1964 | | 75,657.93 | |
| Mortgage payable through January 1, 1966 | | 44,703.69 | 120,361.62 |
| TOTAL LIABILITIES | | | 4,574,113.74 |
| DEFERRED INCOME | | | 167,755.47 |
| CAPITAL STOCK AND SURPLUS: | | | |
| Common Stock—par value $1.00 per share: | | | |
| Authorized | 300,000 shares | | |
| Issued | 282,470 shares | $282,470.00 | |
| *Less*: Treasury stock | 29,183 shares | 29,183.00 | |
| Outstanding | 253,287 shares | | 253,287.00 |
| Surplus—Notes A and B: | | | |
| Capital Surplus | | 789,506.00 | |
| Earned Surplus (since January 1, 1936) | | 6,268,083.11 | 7,057,589.11 | 7,310,876.11 |
| Long Term Lease Commitments—Note C | | | |
| | | | $12,052,745.32 |

this statement and should be read in conjunction herewith.

stock and the amount of certain investments to 70% of consolidated net earnings subsequent to January 31, 1951, plus $250,000.00. As at January 31, 1953, the amount of $737,410.23 was not subject to these restrictions.

NOTE B—The consolidated Earned and Capital Surplus includes undistributed earnings of subsidiaries which may be subject to Federal taxes on income if and when received by the parent company in the form of dividends.

NOTE C—As at January 31, 1953, the minimum annual rentals on property covered by 101 leases expiring after January 31, 1956 amounted to approximately $1,000,000.00. Certain lease agreements provide for additional rentals based upon sales or for payment of real estate taxes, insurance, etc. In addition, three lease agreements provide for rentals exclusively on the basis of sales.

GENERAL—The accompanying financial statements are subject to final determination of Federal, state and local taxes.

# MANGEL STORES CORPORATION

## AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF SURPLUS
### FOR THE YEAR ENDED JANUARY 31, 1953

| | | |
|---|---|---|
| CAPITAL SURPLUS—Notes A and B: | | |
| Balance as at January 31, 1952 and January 31, 1953 | | $ 789,506.00 |
| EARNED SURPLUS (since January 1, 1936)—Notes A and B: | | |
| Balance as at January 31, 1952 | | 5,813,591.51 |
| Net income | | 757,998.87 |
| | | 6,571,590.38 |
| DEDUCT: | | |
| Dividends paid on Common Stock at the rate of $1.00 per share | $ 256,287.00 | |
| Excess of cost over par value of 3,500 shares of Common Stock acquired | 47,220.27 | 303,507.27 |
| Balance as at January 31, 1953 | | $6,268,083.11 |

### CONSOLIDATED STATEMENT OF INCOME
### FOR THE YEAR ENDED JANUARY 31, 1953

| | |
|---|---|
| Net sales, including leased departments' sales | $29,013,922.98 |
| Cost of sales, and general, administrative and selling expenses (exclusive of depreciation), less service charges on budget accounts | 27,240,300.92 |
| | 1,773,622.06 |
| Provision for depreciation | 589,506.37 |
| | 1,184,115.69 |
| Other deductions—net | 23,014.58 |
| Net income before Federal taxes on income | 1,161,101.11 |
| Provision for Federal taxes on income | 403,102.24 |
| Net income | $ 757,998.87 |

The Notes to Accounts, appended hereto, are an integral part of these statements and should be read in conjunction herewith.

# ACCOUNTANTS' REPORT

To the Board of Directors
Mangel Stores Corporation
New York, N. Y.

We have examined the consolidated balance sheet of Mangel Stores Corporation and subsidiaries as at January 31, 1953 and the related consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of income and surplus, together with the notes to accounts, present fairly the consolidated financial position of Mangel Stores Corporation and subsidiaries at January 31, 1953, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

S. D. Leidesdorf & Co.

New York, N. Y.
March 23, 1953

# MANGEL STORES CORPORATION

※ ※ ※

## OFFICERS

SOL MANGEL . . . . . *President*
PHILLIP F. FRANKEL . . . . . *Vice-President*
PHILIP DIAMOND . . . . . *Treasurer*
MAX WEINREICH . . . . . *Secretary*
ISRAEL A. DIAMOND . . . . . *Assistant Secretary*

※

## DIRECTORS

SAMUEL DEITELZWEIG
ISRAEL A. DIAMOND
PHILIP DIAMOND
PHILLIP F. FRANKEL
MILTON M. FRITCH
SAUL C. GUZY
SIDNEY MANGEL
SOL MANGEL
MAX WEINREICH

※

*Executive Offices*
1107 Broadway, New York 10, N. Y.

*Registrar*
Manufacturers Trust Company
55 Broad Street, New York 4, N. Y.

*Transfer Agent*
Guaranty Trust Company of New York
140 Broadway, New York 15, N. Y.

April 14, 1954

*To the Stockholders of*

MANGEL STORES CORPORATION:

The Corporation's firm of certified public accountants has revised the financial statements of the Corporation for the fiscal year ended January 31, 1954 previously submitted by it to the Corporation, copies of which were furnished to the stockholders on March 29, 1954.

The revision gives effect to an increase in the amount of $70,000 in the provision for Federal taxes on income.

By reason of this revision the consolidated net income after Federal taxes for the fiscal year ended January 31, 1954 was $856,953 or $3.38 per share.

There are presented herewith the revised Consolidated Balance Sheet as at January 31, 1954 and the related Consolidated Statements of Income and Surplus for the year then ended.

Respectfully submitted,

SOL MANGEL,

*President*

# MANGEL STORE

## AND SUBS

## CONSOLIDATED BALANCE SHE

### ASSETS

| | | |
|---|---|---|
| **CURRENT ASSETS:** | | |
| Cash on hand and in banks | | $1,428,335.35 |
| United States Government securities—at cost, plus accrued interest | $1,814,040.43 | |
| *Less*: Amount applied as a reduction of reserve for Federal taxes on income—per contra | 595,000.00 | 1,219,040.43 |
| Accounts receivable, trade—less reserve | | 2,118,742.23 |
| Advances to leased department—due July 31, 1954 | | 92,935.32 |
| Merchandise inventory—at the lower of cost or market, based upon the retail method of inventory valuation | | 2,931,219.91 |
| Merchandise in transit—at cost | | 75,263.86 |
| TOTAL CURRENT ASSETS | | 7,865,537.10 |
| **OTHER ASSETS:** | | |
| Loans to employees | 7,965.00 | |
| Sundry deposits and investments | 6,286.40 | |
| Estimated refundable portion of prior years' Federal taxes on income under carry-back provisions of the Internal Revenue Code | 5,800.00 | 20,051.40 |
| **FIXED ASSETS:** | | |
| Real estate (at values as appraised for the management in June 1932 with subsequent additions at cost)—subject, in part, to mortgages—per contra | $ 695,382.25 | |
| *Less*: Reserve for depreciation | 69,797.08 | 625,585.17 |
| Furniture, fixtures and leasehold improvements—at cost | 6,438,538.59 | |
| *Less*: Reserves for depreciation and amortization | 2,869,456.74 | 3,569,081.85 | 4,194,667.02 |
| **DEFERRED CHARGES:** | | |
| Unexpired insurance | 78,496.54 | |
| Prepaid taxes, expenses, etc. | 183,533.01 | 262,029.55 |
| GOODWILL | | 1.00 |
| | | $12,342,286.07 |

The Notes to Accounts, appended hereto, are an integral part

#### NOTES TO ACCOUNTS

NOTE A—Under loan agreements dated March 1, 1949, September 15, 1950 and October 25, 1951, loans aggregating $4,000,000.00 were obtained from The Prudential Insurance Company of America evidenced by promissory notes. At January 31, 1954 the balances of the loans amounted to $1,801,000.00 maturing in 1961 and $1,350,000.00 maturing in 1966. The agreements applicable to the loans maturing in 1961 provide for semiannual prepayments of $83,500.00 until maturity; the other loan provides for semiannual prepayments of $50,000.00 until maturity. The notes bear interest at the rate of 3⅞%, 3¼% and 4% per annum.

The loan agreements contain certain restrictions which limit the payment of dividends (except stock dividends), the net reduction of capital stock and the amount of certain investments to 70% of consolidated net earnings subsequent to January 31, 1951, plus $250,000.00. As at January 31, 1954, the amount of $1,020,668.94 was not subject to these restrictions.

# S CORPORATION

## IDIARIES

## ET AS AT JANUARY 31, 1954

### LIABILITIES

| | | | |
|---|---|---|---|
| CURRENT LIABILITIES: | | | |
| Notes payable—The Prudential Insurance Company of America, installments due within one year—Note A | | | $ 267,000.00 |
| Accounts payable—merchandise, less discount | | | 332,521.51 |
| Accounts payable—expenses, taxes, etc. | | | 623,706.97 |
| Customers' deposits on layaway sales and credits | | | 91,956.55 |
| Mortgage installments payable within one year | | | 7,357.56 |
| Reserve for Federal taxes on income | | $ 595,000.00 | |
| *Less*: United States Government securities—at cost, plus accrued interest—per contra | | 595,000.00 | —— |
| TOTAL CURRENT LIABILITIES | | | 1,322,542.59 |
| NOTES PAYABLE—The Prudential Insurance Company of America, less installments due within one year shown above—Note A | | | 2,884,000.00 |
| MORTGAGES ON REAL ESTATE PAYABLE IN INSTALLMENTS, interest at 4% per annum—less installments payable within one year shown above (collateralized by real estate—per contra): | | | |
| Mortgage payable through September 1, 1964 | | 69,842.12 | |
| Mortgage payable through January 1, 1966 | | 43,153.80 | 112,995.92 |
| TOTAL LIABILITIES | | | 4,319,538.51 |
| DEFERRED INCOME | | | 171,526.68 |
| CAPITAL STOCK AND SURPLUS: | | | |
| Common Stock—par value $1.00 per share: | *Shares* | | |
| Authorized | 300,000 | | |
| Issued | 282,470 | $282,470.00 | |
| *Less*: Treasury stock | 29,183 | 29,183.00 | |
| Outstanding | 253,287 | 253,287.00 | |
| Surplus—Notes A and B: | | | |
| Capital Surplus | | 789,506.00 | |
| Earned Surplus (since January 1, 1936) | | 6,808,427.88 | 7,597,933.88 | 7,851,220.88 |
| Long Term Lease Commitments—Note C | | | |
| | | | $12,342,286.07 |

of this statement and should be read in conjunction herewith.

NOTE B—The Consolidated Earned and Capital Surplus includes undistributed earnings of subsidiaries which may be subject to Federal taxes on income if and when received by the parent company in the form of dividends.

NOTE C—As at January 31, 1954, the minimum annual rentals on property covered by 104 leases expiring after January 31, 1957 amounted to approximately $1,100,000.00. Certain lease agreements provide for additional rentals based upon sales or for payment of real estate taxes, insurance, etc. In addition, three lease agreements provide for rentals exclusively on the basis of sales.

GENERAL—The accompanying financial statements are subject to final determination of Federal, state and local taxes.

# MANGEL STORES CORPORATION

## AND SUBSIDIARIES

### CONSOLIDATED STATEMENT OF SURPLUS
### FOR THE YEAR ENDED JANUARY 31, 1954

| | |
|---|---|
| CAPITAL SURPLUS—Notes A and B: | |
| Balance as at January 31, 1953 and January 31, 1954 | $ 789,506.00 |
| EARNED SURPLUS (since January 1, 1936)—Notes A and B: | |
| Balance as at January 31, 1953 | $6,268,083.11 |
| Net income | 856,953.52 |
| | 7,125,036.63 |
| Dividends paid on Common Stock at the rate of $1.25 per share | 316,608.75 |
| Balance as at January 31, 1954 | $6,808,427.88 |

### CONSOLIDATED STATEMENT OF INCOME
### FOR THE YEAR ENDED JANUARY 31, 1954

| | |
|---|---|
| Net sales, including leased departments' sales | $28,491,478.09 |
| Cost of sales, and general, administrative and selling expenses (exclusive of depreciation), less service charge on budget accounts | 26,590,832.26 |
| | 1,900,645.83 |
| Provision for depreciation | 638,883.45 |
| | 1,261,762.38 |
| Other income—net | 154,633.95 |
| Net income before Federal taxes on income | 1,416,396.33 |
| Provision for Federal taxes on income | 559,442.81 |
| Net income | $ 856,953.52 |

The Notes to Accounts, appended hereto, are an integral part of these statements and should be read in conjunction herewith.

## COMPARISONS OF FINANCIAL AND STATISTICAL DATA

| Year Ended | Number of Stores | Net Sales | Net Working Capital | Provision for Federal Taxes | Net Income after Federal Taxes | Earnings Per Common Share |
|---|---|---|---|---|---|---|
| Jan. 31, 1954 | 117* | $28,491,478 | $6,542,994 | $559,442 | $856,953 | $3.38 |
| Jan. 31, 1953 | 114* | 29,013,922 | 6,016,572 | 403,102 | 757,998 | 2.99 |
| Jan. 31, 1952 | 117* | 29,116,235 | 6,108,845 | 376,952 | 743,721 | 2.90 |
| Jan. 31, 1951 | 115* | 25,635,310 | 4,394,366 | 413,764 | 615,404 | 2.40 |
| Dec. 31, 1949 | 89 | 25,668,102 | 4,046,309 | 231,190 | 544,994 | 2.12 |
| Dec. 31, 1948 | 89 | 27,081,382 | 3,373,724 | 559,369 | 993,596 | 3.87 |
| Dec. 31, 1947 | 90 | 22,673,345 | 3,009,757 | 382,845 | 691,981 | 2.69 |

**Includes acquisition of 26 stores in September 1950.*

CLEVELAND PUBLIC LIBRARY
BUSINESS INF. BUR.
CORPORATION FILE

REVISED REPORT

# MANGEL STORES CORPORATION

AND SUBSIDIARIES

ANNUAL REPORT
FOR THE FISCAL YEAR
ENDED JANUARY 31, 1954

Leidesdorf

# ACCOUNTANTS' REPORT

To the Board of Directors
Mangel Stores Corporation
New York, N. Y.

We have examined the consolidated balance sheet of Mangel Stores Corporation and subsidiaries as at January 31, 1954 and the related consolidated statements of income and surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and consolidated statements of income and surplus, together with the notes to accounts, present fairly the consolidated financial position of Mangel Stores Corporation and subsidiaries at January 31, 1954, and the consolidated results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding fiscal year.

S. D. Leidesdorf & Co.

New York, N. Y.
April 12, 1954
as at March 19, 1954

# MANGEL STORES CORPORATION

☆ ☆ ☆

## OFFICERS

| | |
|---|---|
| Sol Mangel | *President* |
| Phillip F. Frankel | *Vice-President* |
| Philip Diamond | *Treasurer* |
| Max Weinreich | *Secretary* |
| Israel A. Diamond | *Assistant Secretary* |

☆

## DIRECTORS

Sol Mangel
Phillip F. Frankel
Max Weinreich
Saul C. Guzy
Israel A. Diamond
Milton M. Fritch
Sidney Mangel
Herbert J. Deitz
Philip Diamond

☆

*Executive Offices*
1107 Broadway, New York 10, N. Y.

*Registrar*
Manufacturers Trust Company
55 Broad Street, New York 4, N. Y.

*Transfer Agent*
Guaranty Trust Company of New York
140 Broadway, New York 15, N. Y.